

**Banca Ifis S.p.A.**

**SHAREHOLDERS' MEETING**

**THE BOARD OF DIRECTORS' EXPLANATORY REPORT ON POINT 1) EXTRAORDINARY  
SESSION AND ON POINTS 1) AND 3) ORDINARY SESSION OF THE SHAREHOLDERS'  
MEETING' AGENDA  
CALLED FOR 28 JULY 2021 IN A SINGLE CALL**

*(drafted pursuant to art. 125-ter of Legislative Decree no. 58 of 24 February 1998,  
as subsequently amended)*

**Point 1) on the Meeting Agenda - Extraordinary session**

**Changes to articles 10, 11, 13, 15, 17, 18, 20, 21 and 22 of the Articles of Association.**

**Related and ensuing resolutions.**

Dear Shareholders,

this report (the “**Report**”) has been prepared pursuant to art. 125-ter of Legislative Decree no. 58 of February 24, 1998, as subsequently amended and integrated (the “**TUF**”) and art. 72 of the Regulation adopted by CONSOB Resolution no. 11971 of 14 May 1999, as subsequently amended and integrated (the “**Issuers’ Regulation**”), according to scheme no. 3 of Annex 3A of the Issuers' Regulations in order to outline to the Shareholders' Meeting of Banca Ifis S.p.A. (“**Banca Ifis**” or the “**Bank**”) convened, in an extraordinary and ordinary session for July 28, 2021 in a single call (the “**Shareholders’ Meeting**”), the proposed resolution referred to in point 1 of the agenda for the extraordinary session.

The purpose of the Report is to outline the reasons underlying the proposed amendments to the Articles of Association. Specifically, the amendments to the Articles of Association that are intended to be submitted to the Assembly for approval concern: (i) the provision, as an alternative to the appointment of the General Manager, of the appointment of one or more Joint General Managers and of the consequent decisions that are necessary to take for the purposes of defining the related operations; (ii) a broad formulation that references the “legislation and regulations applicable in force at the time” on the subject of the requirements and criteria envisaged for the top management of the Bank; (iii) the replacement of references to the “Code of Conduct for Listed Companies” with references to the “Corporate Governance Code of Listed Companies”.

It should be noted that the effectiveness of the approved resolution of these amendments will be subject to the suspension of the provision in order to ascertain the conformity of the amendments to the articles of association with the criteria of sound and prudent management pursuant to art. 56 of the Consolidated Banking Act by the Bank of Italy.

**1. Reasons for the proposed amendments to the articles of association**

The proposed amendments to the Articles of Association haven arisen primarily from the need to adapt certain provisions contained in the Articles of Association to the reorganization of the

Bank's General Management aimed at further streamlining decision-making processes. With this in mind, the Bank intends to provide, as an alternative to the appointment of the General Manager, the appointment of one or more Joint General Managers with powers and responsibilities respectively in the areas: (a) business (*Chief Commercial Officer*); and (b) organization (*Chief Operating Officer*).

Further amendments to the Articles of Association relate to the redefinition of the requirements and criteria envisaged for corporate officers and top executives as a result of: (a) Ministerial Decree no. 169 of 23 November 2020, containing the Regulation on the requirements and eligibility criteria for the performance of the role of corporate officers of banks ("**Ministerial Decree 169/2020**"); and (b) the Corporate Governance Code for Listed Companies on Borsa Italiana (Italian stock exchange) published on January 31, 2020 and applicable starting from financial year 2021 in place of the Corporate Governance Code for Listed Companies (the "**Corporate Governance Code**"). In particular, it is noted that Ministerial Decree 169/2020 and the Corporate Governance Code have substantially redefined the requirements and criteria envisaged for the directors, statutory auditors and top executives of the Bank, foreseeing an evaluation with greater breadth and depth of information than that set out by the previous legislative-regulatory framework of reference.

The amendments to the Articles of Association will be subject to the release of the provision to ascertain their compliance with the criteria of sound and prudent management pursuant to art. 56 of the Consolidated Banking Act by the Bank of Italy.

That said, the main changes proposed to the Articles of Association are illustrated below.

#### **Article 17 - Administration**

It is proposed to introduce the figure of the Joint General Manager (s) and to identify the relative appointment procedure, as well as the relative powers, tasks and duties. In particular, the proposed amendment concerns the attribution to the Board of Directors of the power to appoint, as an alternative to the General Manager and the Deputy General Managers, one or more Joint General Managers and the power to determine the duration of the related office and the consequent duties, which are to be exercised in compliance with the guidelines issued by the Board itself and by the Chief Executive Officer, according to their respective competences.

The functions of the Joint General Manager (s) would be to supervise the implementation of the

management directives of the Chief Executive Officer, to assist the Chief Executive Officer in the implementation of strategic directions and company management and to participate, upon invitation, in the meetings of the Board of Directors, each with advisory functions in accordance with their respective competences.

In addition to some formal changes, it is also been proposed to modify the article in question by removing the provision in which the General Manager is the Bank's head of staff from the amended text and moving the clarification regarding the performance of duties from paragraph 1 of the General Manager's tasks to the powers conferred by the Board of Directors.

#### **Article 10 - Shareholders' Meetings**

#### **Article 18 - Administration**

#### **Article 22 - Board of Statutory Auditors**

It is proposed to modify the articles of the Statute in question to reflect the introduction of the figure of the Joint General Manager (s).

In particular, (i) with reference to Article 10 (Shareholders' Meetings), the proposed amendment to the Articles of Association concerns the clarification that the duties of the Shareholders' Meeting include not only the approval of the remuneration and incentive policies for the Board of Directors, Chief Executive Officer, the Board of Statutory Auditors, the General Manager and the remaining staff, but also the approval of the remuneration and incentive policies in favour of the Joint General Manager (s); (ii) with reference to article 18 (Administration), it is proposed to clarify that the General Management of the Bank is made up of, alternatively, by the General Manager and, if appointed, by one or more Deputy General Managers, or by one or more Joint General Managers; (iii) with reference to article 22 (Board of Statutory Auditors), the proposed amendment to the Articles of Association relates to the specification that the Board of Statutory Auditors may exercise the power to request information on the progress of corporate operations or on certain business also from the Joint General Manager (s).

#### **Article 20 - Signature and corporate representation**

As a result of the reorganization of the General Management and in coordination with the amendments proposed under art. 17 and 18 of the Articles of Association, it is proposed to provide that the legal representation of the Bank be exclusively conferred to the Chairman of

the Board of Directors and, in the event of his or her absence or impediment, to the Deputy Chairman, as well as to the Chief Executive Officer but no longer also to the General Manager.

**Article 11 - Administration**

**Article 21 - Board of Statutory Auditors**

As a consequence of the implementation of Ministerial Decree 169/2020 and of the Corporate Governance Code, the Board of Directors intends to propose the approval of amendments to the Articles of Association at the Shareholders' Meeting aimed at: (i) providing for a broad formulation that references the “legislation and applicable regulations in force at the time “regarding the requirements and criteria envisaged for the Bank's top management; and (ii) replace the references to the “Code of Conduct for Listed Companies” with references to the “Corporate Governance Code of Listed Companies”.

**Article 13 - Administration**

**Article 15 - Administration**

On the occasion of the aforementioned amendments to the Articles of Association, the Bank also proceeded to identify two interventions of a purely formal nature, without any substantial impact (i.e., correction of a typo and insertion of a capital letter in a word in Article 13 and clarification of the subject of a sentence in Article 15).

**2. Comparative text of the Articles of Association**

Below, also pursuant to scheme no. 3 of Annex 3A of the Issuers' Regulations:

- (i) the current texts of articles 10, 11, 13, 15, 17, 18, 20, 21 and 22 of the Bank's current Articles of Association (see column “Current Articles of Association”);
- (ii) the amendments proposed by the Board of Directors and submitted to the Shareholders' Meeting, highlighted in bold / underlined and with strikethrough (see column “Proposed text”).

Articles of Association	Proposed text
Art. 10) The ordinary Shareholders' Meeting approves the remuneration and incentive	Art. 10) The ordinary Shareholders' Meeting approves the remuneration and incentive

<p>policies. In particular, the ordinary Shareholders' Meeting, in addition to establishing the remuneration due to the bodies it has appointed, approves:</p> <ul style="list-style-type: none"> <li>- the remuneration and incentive policies for the Board of Directors, the Chief Executive Officer, the Board of Statutory Auditors, the General Manager and the remaining personnel;</li> <li>- any remuneration plans based on financial instruments (e.g. stock options);</li> <li>- criteria to determine the remuneration to be paid in the case of an early termination of an employment relationship or early termination of an office, including the maximum limits set for this remuneration in terms of annual fixed amount and the maximum amount deriving from their application.</li> </ul> <p>In addition, the ordinary Shareholders' Meeting has the power to decide, when approving the remuneration policies, the ratio between the variable and the fixed component of individual remuneration of personnel that exceeds 100%, (1:1 ratio), but which, in any way, may not exceed the limit set forth by the applicable legal and regulatory provisions pro tempore (currently equal to 200%, a ratio of 2:1); The proposal may be deemed to have been approved validly with the majority envisaged by the regulatory framework that applies at any</p>	<p>policies. In particular, the ordinary Shareholders' Meeting, in addition to establishing the remuneration due to the bodies it has appointed, approves:</p> <ul style="list-style-type: none"> <li>- the remuneration and incentive policies for the Board of Directors, the Chief Executive Officer, the Board of Statutory Auditors, the General Manager, <b><u>the Joint General Manager (s)</u></b> and the remaining personnel;</li> <li>- any remuneration plans based on financial instruments (e.g. stock options);</li> <li>- criteria to determine the remuneration to be paid in the case of an early termination of an employment relationship or early termination of an office, including the maximum limits set for this remuneration in terms of annual fixed amount and the maximum amount deriving from their application.</li> </ul> <p>In addition, the ordinary Shareholders' Meeting has the power to decide, when approving the remuneration policies, the ratio between the variable and the fixed component of individual remuneration of personnel that exceeds 100%, (1:1 ratio), but which, in any way, may not exceed the limit set forth by the applicable legal and regulatory provisions pro tempore (currently equal to 200%, a ratio of 2:1); The proposal may be deemed to have been approved validly with the majority envisaged by the</p>
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<p>given time, i.e. currently:</p> <ul style="list-style-type: none"> <li>- with the favourable vote of at least 2/3 of the share capital represented at the Shareholders' Meeting, if the Shareholders' Meeting consists of at least half of the share capital;</li> <li>- with the favourable vote of at least 3/4 of the share capital represented at the Shareholders' Meeting, whatever the share capital the Shareholders' Meeting consists in.</li> </ul> <p>The fees payable to the members of the Board of Directors are established at the time of their appointment or by the Shareholders' Meeting, pursuant to art. 2389 of the Italian Civil Code. The remuneration of directors invested in particular positions in accordance with the Articles of Association can be established by the Board of Directors, having received the favourable opinion of the Board of Statutory Auditors. The Shareholders' Meeting can determine a total amount of remuneration for all Directors, including those assigned specific tasks.</p>	<p>regulatory framework that applies at any given time, i.e. currently:</p> <ul style="list-style-type: none"> <li>- with the favourable vote of at least 2/3 of the share capital represented at the Shareholders' Meeting, if the Shareholders' Meeting consists of at least half of the share capital;</li> <li>- with the favourable vote of at least 3/4 of the share capital represented at the Shareholders' Meeting, whatever the share capital the Shareholders' Meeting consists in.</li> </ul> <p>The fees payable to the members of the Board of Directors are established at the time of their appointment or by the Shareholders' Meeting, pursuant to art. 2389 of the Italian Civil Code. The remuneration of directors invested in particular positions in accordance with the Articles of Association can be established by the Board of Directors, having received the favourable opinion of the Board of Statutory Auditors. The Shareholders' Meeting can determine a total amount of remuneration for all Directors, including those assigned specific tasks.</p>
<p>Art. 11) The Company is managed by a Board of Directors made up of five to fifteen members, elected by the Shareholders' Meeting. They must possess professionalism and authority so as to ensure a high level of internal dialogue within the body to which they belong, and to make a significant contribution to shaping the will of the same;</p>	<p>Art. 11) The Company is managed by a Board of Directors made up of five to fifteen members, elected by the Shareholders' Meeting. They must possess professionalism and authority so as to ensure a high level of internal dialogue within the body to which they belong, and to make a significant contribution to shaping the will of the same;</p>

<p>and at least a quarter of the members must possess the independence requirements.</p> <p>The composition of the bodies must reflect an adequate degree of diversification in terms, among other things, of skills, experience, age, gender, international scope.</p> <p>For the purposes of appointing or co-opting the directors, the board of directors identifies in advance the qualitative and quantitative composition it deems optimal by identifying and justifying the theoretical profile (including professionalism and any independence characteristics) of the candidates.</p> <p>The results of the analyses carried out by the Board of Directors must be brought to the attention of the shareholders in due time so that the choice of candidates to be presented can take the professional skills required into account. Of course, the possibility remains for the shareholders to carry out their own assessments on the optimal composition of the body and to present candidacies consistent with these, giving reasons for any differences with respect to the analyses carried out by the board.</p> <p>The Directors remain in office for the period, not exceeding three financial years, established at the time of their appointment, and expire on the date of the Shareholders' Meeting called to approve the financial</p>	<p>and at least a quarter of the members must possess the independence requirements <b><u>provided for by applicable legislation and regulation in force at the time.</u></b></p> <p>The composition of the bodies must reflect an adequate degree of diversification in terms, among other things, of skills, experience, age, gender, international scope.</p> <p>For the purposes of appointing or co-opting the directors, the board of directors identifies in advance the qualitative and quantitative composition it deems optimal by identifying and justifying the theoretical profile (including professionalism and any independence characteristics) of the candidates.</p> <p>The results of the analyses carried out by the Board of Directors must be brought to the attention of the shareholders in due time so that the choice of candidates to be presented can take the professional skills required into account. Of course, the possibility remains for the shareholders to carry out their own assessments on the optimal composition of the body and to present candidacies consistent with these, giving reasons for any differences with respect to the analyses carried out by the board.</p> <p>The Directors remain in office for the period, not exceeding three financial years, established at the time of their appointment,</p>
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<p>statements related to the last year of their office.</p> <p>The appointment of the members of the Board of Directors is based on lists presented by the shareholders; candidates are listed in sequential order and their number must not exceed the maximum number of Members established by the Articles of Association.</p> <p>The right to present a list is only granted to shareholders who, at the time of the presentation of the list, own, alone or jointly, a stake of at least 1% (one percent) of ordinary shares or other minimum ownership threshold that - pursuant to the applicable regulatory framework - will be indicated in the notice of convocation of the Shareholders' Meeting which is called upon to deliberate on the appointment of the members of the Board of Directors.</p> <p>A shareholder may not present or vote on more than one list, even through a third party or a trust company. Shareholders belonging to the same group and shareholders who have stipulated a shareholder agreement related to shares of the Company may not present or vote on more than one list, even through a third party or a trust company. A candidate may only be present on one list, on pain of ineligibility.</p> <p>The lists are deposited at the registered office of the Company by the twenty-fifth day</p>	<p>and expire on the date of the Shareholders' Meeting called to approve the financial statements related to the last year of their office.</p> <p>The appointment of the members of the Board of Directors is based on lists presented by the shareholders; candidates are listed in sequential order and their number must not exceed the maximum number of Members established by the Articles of Association.</p> <p>The right to present a list is only granted to shareholders who, at the time of the presentation of the list, own, alone or jointly, a stake of at least 1% (one percent) of ordinary shares or other minimum ownership threshold that - pursuant to the applicable regulatory framework - will be indicated in the notice of convocation of the Shareholders' Meeting which is called upon to deliberate on the appointment of the members of the Board of Directors.</p> <p>A shareholder may not present or vote on more than one list, even through a third party or a trust company. Shareholders belonging to the same group and shareholders who have stipulated a shareholder agreement related to shares of the Company may not present or vote on more than one list, even through a third party or a trust company. A candidate may only be present on one list, on pain of ineligibility.</p>
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<p>before the date of the first-call Shareholders' Meeting and are made available to the public at the registered office of the company, on the Company's website and by the other means set forth by the applicable regulatory framework, at least twenty days before the date of the first-call Shareholders' Meeting.</p> <p>Ownership of the minimum number of shares needed to submit a list is determined by taking into account the shares recorded in the name of the individual shareholder or multiple joint-shareholders on the day lists are submitted to the Company. In order to prove the ownership of the number of shares necessary to present the lists, the shareholders may produce the related certificate even after the deposit, on the condition that this is done within the deadline foreseen for the publication of the lists by the Company.</p> <p>The lists must be accompanied:</p> <ul style="list-style-type: none"> <li>- by information relating to the identity of shareholders who submitted lists, stating the overall percentage of shares held;</li> <li>a declaration of the shareholders other than those who hold, including jointly, a controlling or relative majority shareholding, certifying the absence of relationships as indicated in Article 147-ter of Legislative Decree no. 58/1998 and art. 144-quinquies of the "Implementing Regulation of</li> </ul>	<p>The lists are deposited at the registered office of the Company by the twenty-fifth day before the date of the first-call Shareholders' Meeting and are made available to the public at the registered office of the company, on the Company's website and by the other means set forth by the applicable regulatory framework, at least twenty days before the date of the first-call Shareholders' Meeting.</p> <p>Ownership of the minimum number of shares needed to submit a list is determined by taking into account the shares recorded in the name of the individual shareholder or multiple joint-shareholders on the day lists are submitted to the Company. In order to prove the ownership of the number of shares necessary to present the lists, the shareholders may produce the related certificate even after the deposit, on the condition that this is done within the deadline foreseen for the publication of the lists by the Company.</p> <p>The lists must be accompanied:</p> <ul style="list-style-type: none"> <li>- by information relating to the identity of shareholders who submitted lists, stating the overall percentage of shares held;</li> <li>a declaration of the shareholders other than those who hold, including jointly, a controlling or relative majority shareholding, certifying the absence of relationships as indicated in Article 147-ter of Legislative</li> </ul>
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<p>Legislative Decree no. 58/1998 concerning the discipline of issuers” with the latter;</p> <ul style="list-style-type: none"> <li>- exhaustive information on candidates’ personal and professional characteristics, as well as a declaration by the candidates themselves confirming possession of the requirements established by law and their acceptance of candidacy.</li> </ul> <p>Candidates who do not meet the requirements of integrity, professionalism and independence established by Article 26 of Legislative Decree no. 385/1993 cannot be included on lists. Each list must also indicate:</p> <ul style="list-style-type: none"> <li>-at least a quarter of the members (if this ratio is not an integer, round it down to the next lowest whole number if the first decimal is less than or equal to 5; otherwise round it up to the next highest whole number) that meet the independence obligations provided for both by the Corporate Governance Code for Listed Companies required by Borsa Italiana S.p.A. and Article 148, paragraph 3 of Legislative Decree no. 58/1998. These candidates must be the first four names on the list in sequential order;</li> <li>- at least a third of the list must be made up of candidates representing the least represented gender, except for lists containing fewer than three candidates.</li> </ul>	<p>Decree no. 58/1998 and art. 144-quinquies of the “Implementing Regulation of Legislative Decree no. 58/1998 concerning the discipline of issuers” with the latter;</p> <ul style="list-style-type: none"> <li>- exhaustive information on the candidates’ personal and professional characteristics, as well as a declaration by the candidates themselves certifying the possession of the requirements <del>established by the law</del> <b><u>and criteria provided for by the applicable legislation and regulation in force at the time</u></b>, and their acceptance of the candidacy.</li> </ul> <p>Candidates who do not meet the <del>requirements of integrity, professionalism and independence</del> <b><u>and criteria</u></b> established by Article 26 of Legislative Decree no. 385/1993 <b><u>and the relative implementation regulations, also of a regulatory nature, in force at the time</u></b>. Each list must also indicate:</p> <ul style="list-style-type: none"> <li>-at least a quarter of the members (if this ratio is not an integer, round it down to the next lowest whole number if the first decimal is less than or equal to 5; otherwise round it up to the next highest whole number) that meet the independence obligations provided for both by the <del>Corporate Governance Code</del> for Listed Companies required by Borsa Italiana S.p.A. and Article 148, paragraph 3 of Legislative Decree no. 58/1998. These candidates must be the first four names on the list in sequential order;</li> </ul>
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<p>Any list where the above provisions are not observed is considered as not having been presented.</p> <p>Members of the Board of Directors are elected as follows:</p> <p>1) all Directors except one are elected from the list obtaining the highest number of votes at the Shareholders' Meeting, according to the sequential order with which they are indicated on the list;</p> <p>2) from the list that obtained the highest number of votes at the Shareholders' Meeting and which, pursuant to art. 147-ter, paragraph 3 of Legislative Decree no. 58/1998, is not connected in any way, not even indirectly, with the shareholders who presented or voted on the list with the highest number of votes, then a director is declared.</p> <p>Should this selection criteria fail to ensure proper gender balance to the extent established on a case by case basis by Italian Law, a sliding mechanism is applied to the selection from the list which obtained, during the Shareholders' Meeting, the highest number of votes based on the sequential order in which the candidates are indicated. This mechanism excludes the candidate or candidates of the most represented gender and draws the candidate or candidates of the unrepresented gender.</p>	<p>- at least a third of the list must be made up of candidates representing the least represented gender, except for lists containing fewer than three candidates.</p> <p>Any list where the above provisions are not observed is considered as not having been presented.</p> <p>Members of the Board of Directors are elected as follows:</p> <p>1) all Directors except one are elected from the list obtaining the highest number of votes at the Shareholders' Meeting, according to the sequential order with which they are indicated on the list;</p> <p>2) from the list that obtained the highest number of votes at the Shareholders' Meeting and which, pursuant to art. 147-ter, paragraph 3 of Legislative Decree no. 58/1998, is not connected in any way, not even indirectly, with the shareholders who presented or voted on the list with the highest number of votes, then a director is declared.</p> <p>Should this selection criteria fail to ensure proper gender balance to the extent established on a case by case basis by Italian Law's <b><u>applicable legislation and regulation in force at the time</u></b>, a sliding mechanism is applied to the selection from the list which obtained, during the Shareholders' Meeting, the highest number of votes based on the</p>
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<p>If just one list of candidates is submitted, the names indicated on that list will be elected as Members of the Board of Directors, up to the number of Directors to be elected less one, who shall be elected by the Shareholders' Meeting there and then, based on a simple majority but excluding from the vote the shareholders who submitted the single list, and based on the proposal of the shareholders entitled to the right to vote pursuant to this paragraph.</p> <p>In any case, at least one quarter of the members of the Board of Directors must possess the independence requirements established both by the Corporate Governance Code for Listed Companies prepared by Borsa Italiana S.p.A. and by art. 148, paragraph 3 of Legislative Decree no. 58/1998.</p> <p>If during the year less than a quarter of the directors are in possession of these requirements, the Board will resolve to terminate the role of one or two of its Members who have ceased to meet such requirements, based on a criterion of shorter tenure, or, in the case of equal tenure, lower age, and will co-opt one or two independent members.</p> <p>The laws in force, without the involvement of list voting, shall govern any replacement of</p>	<p>sequential order in which the candidates are indicated. This mechanism excludes the candidate or candidates of the most represented gender and draws the candidate or candidates of the unrepresented gender.</p> <p>If just one list of candidates is submitted, the names indicated on that list will be elected as Members of the Board of Directors, up to the number of Directors to be elected less one, who shall be elected by the Shareholders' Meeting there and then, based on a simple majority but excluding from the vote the shareholders who submitted the single list, and based on the proposal of the shareholders entitled to the right to vote pursuant to this paragraph.</p> <p>In any case, at least one quarter of the members of the Board of Directors must possess the independence requirements established both by the <del>Corporate Governance</del> Code for Listed Companies prepared by Borsa Italiana S.p.A. and by art. 148, paragraph 3 of Legislative Decree no. 58/1998.</p> <p>If during the year less than a quarter of the directors are in possession of these requirements, the Board will resolve to terminate the role of one or two of its Members who have ceased to meet such requirements, based on a criterion of shorter tenure, or, in the case of equal tenure,</p>
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<p>Directors, except in the event that all Directors cease their roles.</p> <p>Moreover, in the event of the resignation of the director declared from the list that obtained the highest number of votes at the Shareholders' Meeting and who, pursuant to art. 147-ter, paragraph 3 of Legislative Decree no. 58/1998, is not connected in any way, even indirectly, with the members who have submitted or voted on the list that appeared first by number of votes, the Board will first check the continued availability of the candidates included on the list, according to the its sequential order, and will co-opt members based on this criterion of preference.</p> <p>If a Director belonging to the least represented gender ceases, the co-opted Director shall be of the same gender.</p>	<p>lower age, and will co-opt one or two independent members.</p> <p>The laws in force, without the involvement of list voting, shall govern any replacement of Directors, except in the event that all Directors cease their roles.</p> <p>Moreover, in the event of the resignation of the director declared from the list that obtained the highest number of votes at the Shareholders' Meeting and who, pursuant to art. 147-ter, paragraph 3 of Legislative Decree no. 58/1998, is not connected in any way, even indirectly, with the members who have submitted or voted on the list that appeared first by number of votes, the Board will first check the continued availability of the candidates included on the list, according to the its sequential order, and will co-opt members based on this criterion of preference.</p> <p>If a Director belonging to the least represented gender ceases, the co-opted Director shall be of the same gender.</p>
<p>Art. 13) The convocation of the Board of Directors is made by the Chairman by letter, fax, e-mail or other suitable form at the domicile of each director at least three days before the meeting's scheduled date. In case of urgency, the convocation can be sent even just one day before the meeting's scheduled date.</p>	<p>Art. 13) The convocation of the Board of Directors is explicitly made by the Chairman by letter, fax, e-mail or other suitable form at the domicile of each director at least three days before the meeting's scheduled date. In case of urgency, the convocation can be sent even just one day before the meeting's scheduled date.</p>

<p>In preparing the agenda and managing the board's discussion, the chairman ensures that matters of strategic importance are treated with priority, ensuring that all the necessary time is dedicated to them.</p> <p>Board meetings will be validly established even when held through means of telecommunication, as long as all the participants can be identified by the Chairman and all other attendees, are allowed to follow the discussion and intervene in real time in the discussion of the topics, are allowed to receive, transmit and view documents relating to these topics, and all of the above is acknowledged in the relative minutes. Once these conditions are met, the meeting of the Board of Directors is considered held in the place where the Chairman is located and where the Secretary of the meeting must also be, in order to allow the drafting of the relative minutes.</p> <p>The resolutions of the Board are valid if the majority of the directors in office are present, and are taken by an absolute majority of those present. In the event of a tie, the vote of the Chairman of the Board of Directors prevails.</p> <p>The Board of Directors meets at time intervals usually not exceeding three months, whenever the Chairman deems it necessary, or when it is requested by the Chief Executive</p>	<p>In preparing the agenda and managing the board's discussion, the <del>Chairman</del> ensures that matters of strategic importance are treated with priority, ensuring that all the necessary time is dedicated to them.</p> <p>Board meetings will be validly established even when held through means of telecommunication, as long as all the participants can be identified by the Chairman and all other attendees, are allowed to follow the discussion and intervene in real time in the discussion of the topics, are allowed to receive, transmit and view documents relating to these topics, and all of the above is acknowledged in the relative minutes. Once these conditions are met, the meeting of the Board of Directors is considered held in the place where the Chairman is located and where the Secretary of the meeting must also be, in order to allow the drafting of the relative minutes.</p> <p>The resolutions of the Board are valid if the majority of the directors in office are present, and are taken by an absolute majority of those present. In the event of a tie, the vote of the Chairman of the Board of Directors prevails.</p> <p>The Board of Directors meets at time intervals usually not exceeding three months, whenever the Chairman deems it necessary, or when it is requested by the Chief Executive</p>
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<p>Officer or at least three directors. The Board may also be convened by at least two statutory auditors upon notice given to the Chairman of the Board of Directors.</p>	<p>Officer or at least three directors. The Board may also be convened by at least two statutory auditors upon notice given to the Chairman of the Board of Directors.</p>
<p>Art. 15) The Board appoints a Chief Executive Officer from among its members who is in charge of conducting company operations aimed at achieving corporate strategic direction and objectives. It may also confer special tasks onto individual directors, all in accordance with and within the limits established by art. 2381 of the Italian Civil Code. The Board can also appoint attorneys for specific acts or categories of acts and special attorneys.</p> <p>The Chief Executive Officer is responsible for implementing strategic directions and company management, and makes use of the General Management.</p> <p>The Chief Executive Officer reports to the Board of Directors on his/her activities on a quarterly basis.</p> <p>The Chief Executive Officer:</p> <ul style="list-style-type: none"> <li>- defines and oversees the implementation of the risk management process;</li> <li>- defines and is responsible for implementing the process (heads of unit, procedures, conditions) to approve investments in new products, the distribution of new products or services and the start of new activities or entry into new markets.</li> </ul>	<p>Art. 15) The Board appoints a Chief Executive Officer from among its members who is in charge of conducting company operations aimed at achieving corporate strategic direction and objectives. <del>The Board may</del> also confer special tasks onto individual directors, all in accordance with and within the limits established by art. 2381 of the Italian Civil Code. The Board can also appoint attorneys for specific acts or categories of acts and special attorneys. The Chief Executive Officer is responsible for implementing strategic directions and company management, and makes use of the General Management.</p> <p>The Chief Executive Officer reports to the Board of Directors on his/her activities on a quarterly basis.</p> <p>The Chief Executive Officer:</p> <ul style="list-style-type: none"> <li>- defines and oversees the implementation of the risk management process;</li> <li>- defines and is responsible for implementing the process (heads of unit, procedures, conditions) to approve investments in new products, the distribution of new products or services and the start of new activities or entry into new markets.</li> <li>- he/she defines and supervises the</li> </ul>

<ul style="list-style-type: none"> <li>- he/she defines and supervises the implementation of the company policy regarding the outsourcing of company functions;</li> <li>- defines and is responsible for implementing the processes and methodologies used to assess company activities, and, particularly, financial instruments; and is responsible for keeping them constantly updated;</li> <li>- defines the internal information flows aimed at ensuring full knowledge and governability of risk factors and verification of compliance with the Risk Appetite Framework for corporate bodies and control departments;</li> <li>- within the scope of the Group's Risk Appetite Framework, if a tolerance threshold has been defined, authorises the exceeding of the risk appetite within the limit represented by the tolerance threshold, and promptly informs the Board of Directors, identifying the managerial actions needed to restore the assumed risk within the pre-set objective;</li> <li>- he/she implements the initiatives and interventions required to ensure the continuous completeness, adequacy, functionality and reliability of the internal control system and informs the Board of Directors of the results of the checks carried out to;</li> </ul>	<ul style="list-style-type: none"> <li>implementation of the company policy regarding the outsourcing of company functions;</li> <li>- defines and is responsible for implementing the processes and methodologies used to assess company activities, and, particularly, financial instruments; and is responsible for keeping them constantly updated;</li> <li>- defines the internal information flows aimed at ensuring full knowledge and governability of risk factors and verification of compliance with the Risk Appetite Framework for corporate bodies and control departments;</li> <li>- within the scope of the Group's Risk Appetite Framework, if a tolerance threshold has been defined, authorises the exceeding of the risk appetite within the limit represented by the tolerance threshold, and promptly informs the Board of Directors, identifying the managerial actions needed to restore the assumed risk within the pre-set objective;</li> <li>- he/she implements the initiatives and interventions required to ensure the continuous completeness, adequacy, functionality and reliability of the internal control system and informs the Board of Directors of the results of the checks carried out to;</li> <li>- he/she prepares and implements the</li> </ul>
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<p>- he/she prepares and implements the necessary corrective or adjustment measures in case of deficiencies or anomalies, or following the introduction of new relevant products, activities, services or processes;</p> <p>- implements the ICAAP process;</p> <p>- with specific reference to the credit and counterparty risks, in line with the strategic lines, approves specific guidelines aimed at ensuring the efficacy of the system used to manage risk mitigation techniques and at guaranteeing compliance with the general and specific requisites of said techniques.</p> <p>- in case of emergencies, the Chief Executive Officer may adopt decisions regarding any business or transaction that does not fall under the exclusive purview of the Board of Directors, immediately notifying the President of such decisions and announcing them to the Board at the first subsequent meeting.</p>	<p>necessary corrective or adjustment measures in case of deficiencies or anomalies, or following the introduction of new relevant products, activities, services or processes;</p> <p>- implements the ICAAP process;</p> <p>- with specific reference to the credit and counterparty risks, in line with the strategic lines, approves specific guidelines aimed at ensuring the efficacy of the system used to manage risk mitigation techniques and at guaranteeing compliance with the general and specific requisites of said techniques.</p> <p>- in case of emergencies, the Chief Executive Officer may adopt decisions regarding any business or transaction that does not fall under the exclusive purview of the Board of Directors, immediately notifying the President of such decisions and announcing them to the Board at the first subsequent meeting.</p>
<p>Art. 17) The Board of Directors appoints a General Manager and can appoint one or more Deputy General Managers, determining their duties and the duration of their office. The General Manager oversees the implementation of the management directives of the Chief Executive Officer and assists in the implementation of strategic directions and company management. The General Manager is the Company's head</p>	<p>Art. 17) The Board of Directors <del>appoints</del> <b>may appoint</b> a General Manager and, <b>where appropriate,</b> <del>may appoint</del> one or more Deputy General Managers, determining their duties and the duration of their office. The General Manager <b>exercises his/her duties within the framework of the powers conferred by the Board of Directors</b> and oversees the implementation of the management directives of the Chief</p>

<p>of personnel and exercises his/her functions within the powers assigned by the Board of Directors.</p> <p>The General Manager participates in the meetings of the Board of Directors with advisory functions.</p> <p>In the event of absence or impediment, as determined by the Board of Directors, the General Manager is replaced by one of the Deputy General Managers, if appointed.</p> <p>Before third parties, the signature of the Deputy General Manager, who replaces the General Manager, constitutes proof of the absence or impediment of the latter.</p>	<p>Executive Officer and assists in the implementation of strategic directions and company management.</p> <p><del>The General Manager is the Company's head of personnel and exercises his/her functions within the powers assigned by the Board of Directors.</del></p> <p>The General Manager participates in the meetings of the Board of Directors with advisory functions.</p> <p>In the event of absence or impediment, as determined by the Board of Directors, the General Manager is replaced by one of the Deputy General Managers, if appointed.</p> <p>Before third parties, the signature of the Deputy General Manager, who replaces the General Manager, constitutes proof of the absence or impediment of the latter.</p> <p><b><u>As an alternative to the appointment of the General Manager and the Deputy General Managers, the Board of Directors may appoint one or more Joint General Managers, determining the duration of the related office and its duties, which are to be exercised in compliance with the guidelines issued by the Board of Directors and by the Chief Executive Officer, according to their respective competences.</u></b></p> <p><b><u>The Joint General Manager or, when more than one is appointed, the Joint General Managers, supervise the implementation of</u></b></p>
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	<p><u>the management directives of the Chief Executive Officer, assist the Chief Executive Officer in the implementation of strategic directions and company management and participate, upon invitation, in the meetings of the Board of Directors, each with advisory functions in accordance with their respective competences.</u></p>
<p>Art. 18) The General Management is made up of the General Manager and, if appointed, by one or more Deputy General Managers. As part of the provisions of the main internal regulations approved by the Board of Directors, they manage ongoing business by directing the personnel designated for this purpose.</p>	<p>Art. 18) The General Management is <b><u>alternatively</u></b> made up by the General Manager and, if appointed, by one or more Deputy General Managers, <b><u>i.e. by one or more Joint General Managers.</u></b> As part of the provisions of the main internal regulations approved by the Board of Directors, they manage ongoing business by directing the personnel designated for this purpose.</p>
<p>Art. 20) Legal representation of the Company, before third parties and in court, and the corporate signature are the responsibility of the Chairman of the Board of Directors and, in the event of his/her absence or impediment, to the Deputy Chairman, as well as separately, to the Chief Executive Officer and the General Manager.</p> <p>Legal representation includes, by way of example, the right to promote any act and initiative for the protection of the rights and interests of the Company, also through the request of precautionary or emergency measures and the exercising of executive</p>	<p>Art. 20) Legal representation of the Company, before third parties and in court, and the corporate signature are the responsibility of the Chairman of the Board of Directors and, in the event of his/her absence or impediment, to the Deputy Chairman, <del>as well as separately,</del> to the Chief Executive Officer <del>and the General Manager.</del></p> <p>Legal representation includes, by way of example, the right to promote any act and initiative for the protection of the rights and interests of the Company, also through the request of precautionary or emergency measures and the exercising of executive</p>

<p>actions; the exercise, withdrawal and renunciation of the right of complaint, as well as the establishment of a civil party and its revocation in any judicial, administrative and arbitration and conciliatory proceeding before any authority in every state and level, with all the powers to the necessary purpose, including that of granting the relative powers of attorney for disputes, including general ones, of carrying out questioning provided for by the law and with every legal right also to reconcile, settle and compromise with arbitrators and to renounce acts and actions. The Board of Directors may, for certain categories of acts and business, grant power of attorney, with the relative power to sign for the Company, also to persons outside the Company. The Chief Executive Officer can appoint attorneys for specific acts or categories of acts, within the powers granted by the Board.</p> <p>To facilitate the performance of the Company's work, the Board may authorize managers and other employees to sign, individually or jointly, for those categories of transactions determined by the Board of Directors itself.</p>	<p>actions; the exercise, withdrawal and renunciation of the right of complaint, as well as the establishment of a civil party and its revocation in any judicial, administrative and arbitration and conciliatory proceeding before any authority in every state and level, with all the powers to the necessary purpose, including that of granting the relative powers of attorney for disputes, including general ones, of carrying out questioning provided for by the law and with every legal right also to reconcile, settle and compromise with arbitrators and to renounce acts and actions. The Board of Directors may, for certain categories of acts and business, grant power of attorney, with the relative power to sign for the Company, also to persons outside the Company. The Chief Executive Officer can appoint attorneys for specific acts or categories of acts, within the powers granted by the Board.</p> <p>To facilitate the performance of the Company's work, the Board may authorize managers and other employees to sign, individually or jointly, for those categories of transactions determined by the Board of Directors itself.</p>
<p>Art. 21) The Board of Statutory Auditors is made up of three standing and two alternate auditors.</p> <p>The Board of Statutory Auditors are</p>	<p>Art. 21) The Board of Statutory Auditors is made up of three standing and two alternate auditors.</p> <p>The Board of Statutory Auditors are</p>

<p>appointed based on lists presented by the shareholders, in which the candidates are listed in sequential order; their number may not exceed that of the members of the body to be elected. Each list consists of two sections: one for candidates for the office of Standing Auditor, and the other for candidates for the office of Alternate Auditor. A list can be presented by the shareholder or shareholders who, at the time of submission, own an equity interest equal to at least 1% (one percent) of ordinary shares, or to another lower ownership threshold that – pursuant to current legislation and regulatory provisions – will be indicated in the notice convoking the Shareholders’ Meeting called to pass a resolution to appoint the members of the Statutory Auditors.</p> <p>A shareholder may not present or vote on more than one list, even through a third party or a trust company. Shareholders belonging to the same group and shareholders who have stipulated a shareholder agreement related to shares of the Company may not present or vote on more than one list, even through a third party or a trust company. A candidate may only be present on one list, on pain of ineligibility.</p> <p>Lists must be submitted to the Company’s registered office at least twenty-five days prior to the date set for the first-call</p>	<p>appointed based on lists presented by the shareholders, in which the candidates are listed in sequential order; their number may not exceed that of the members of the body to be elected. Each list consists of two sections: one for candidates for the office of Standing Auditor, and the other for candidates for the office of Alternate Auditor. A list can be presented by the shareholder or shareholders who, at the time of submission, own an equity interest equal to at least 1% (one percent) of ordinary shares, or to another lower ownership threshold that – pursuant to current legislation and regulatory provisions – will be indicated in the notice convoking the Shareholders’ Meeting called to pass a resolution to appoint the members of the Statutory Auditors.</p> <p>A shareholder may not present or vote on more than one list, even through a third party or a trust company. Shareholders belonging to the same group and shareholders who have stipulated a shareholder agreement related to shares of the Company may not present or vote on more than one list, even through a third party or a trust company. A candidate may only be present on one list, on pain of ineligibility.</p> <p>Lists must be submitted to the Company’s registered office at least twenty-five days prior to the date set for the first-call</p>
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<p>Shareholders' Meeting, and are made available to the public at the registered office, on the Company's website and through the other methods provided for by current legislation and regulatory provisions at least twenty-one days prior to the date of the first-call Shareholders' Meeting.</p> <p>Ownership of the minimum number of shares needed to submit a list is determined by taking into account the shares recorded in the name of the individual shareholder or multiple joint-shareholders on the day lists are submitted to the Company. In order to prove the ownership of the number of shares necessary to present the lists, the shareholders may produce the related certificate even after the deposit, on the condition that this is done within the deadline foreseen for the publication of the lists by the Company.</p> <p>The lists must be accompanied:</p> <ul style="list-style-type: none"> <li>- by information relating to the identity of shareholders who submitted the lists, stating the overall percentage of shares held;</li> <li>- a declaration of the shareholders other than those who hold, including jointly, a controlling or relative majority shareholding, certifying the absence of relationships as provided for by Article 144-quinquies of the "Implementing Regulation of Legislative Decree no. 58/1998 concerning the discipline</li> </ul>	<p>Shareholders' Meeting, and are made available to the public at the registered office, on the Company's website and through the other methods provided for by current legislation and regulatory provisions at least twenty-one days prior to the date of the first-call Shareholders' Meeting.</p> <p>Ownership of the minimum number of shares needed to submit a list is determined by taking into account the shares recorded in the name of the individual shareholder or multiple joint-shareholders on the day lists are submitted to the Company. In order to prove the ownership of the number of shares necessary to present the lists, the shareholders may produce the related certificate even after the deposit, on the condition that this is done within the deadline foreseen for the publication of the lists by the Company.</p> <p>The lists must be accompanied:</p> <ul style="list-style-type: none"> <li>- by information relating to the identity of shareholders who submitted the lists, stating the overall percentage of shares held;</li> <li>- a declaration of the shareholders other than those who hold, including jointly, a controlling or relative majority shareholding, certifying the absence of relationships as provided for by Article 144-quinquies of the "Implementing Regulation of Legislative Decree no. 58/1998 concerning</li> </ul>
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<p>of issuers” with the latter as well as other significant relationships;</p> <p>- exhaustive information on candidates’ personal and professional characteristics, as well as a declaration by the candidates themselves confirming possession of the requirements established by law and their acceptance of candidacy.</p> <p>Candidates who already hold the post of auditor in five other listed companies or who do not possess the integrity, professionalism and independence requirements as set out in applicable regulations or that fall within the cases referred to in Article 148, paragraph 3 of Legislative Decree no. 58/1998 may not be included in the candidate list.</p> <p>Each list must contain at least one candidate for the post of Standing Auditor and at least one candidate for the post of Alternate Auditor belonging to the least represented gender. This requirement does not apply to lists that present fewer than three candidates.</p> <p>Outgoing auditors are eligible for re-election. The election of the auditors proceeds as follows:</p> <p>1) two standing auditors and one alternate are elected from the list obtaining the highest number of votes, according to the sequential order with which they are indicated on the list;</p>	<p>the discipline of issuers” with the latter as well as other significant relationships;</p> <p>- exhaustive information on candidates’ personal and professional characteristics, as well as a declaration by the candidates themselves confirming possession of the requirements established by law and their acceptance of candidacy.</p> <p>Candidates who already hold the post of auditor in five other listed companies or who do not possess <del>the integrity, professionalism and independence requirements as set out in the applicable regulations</del> <b><u>and criteria provided for by Article 26 of Legislative Decree no. 385/1993 and the relative implementation regulations, also of a regulatory nature, in force at the time</u></b> or that fall within the cases referred to in art. 148, paragraph 3 of Legislative Decree no.58/1998 may not be included in the candidate list.</p> <p>Each list must contain at least one candidate for the post of Standing Auditor and at least one candidate for the post of Alternate Auditor belonging to the least represented gender. This requirement does not apply to lists that present fewer than three candidates.</p> <p>Outgoing auditors are eligible for re-election. The election of the auditors proceeds as follows:</p>
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<p>2) from the list that obtained the highest number of votes among the lists presented and voted on by shareholders who are not connected to the reference shareholders pursuant to art. 148, paragraph 2 of Legislative Decree no. 58/1998, the candidate indicated in first place in the relevant section of the list is elected standing auditor; the candidate indicated in first place in the relevant section of the same list is elected alternate auditor.</p> <p>In the case of a tie between two or more lists, the oldest candidates will be elected as Statutory Auditors.</p> <p>If the selection criteria do not ensure election of at least one Standing Auditor and one Alternate Auditor belonging to the least represented gender, a sliding mechanism is applied to the selection from the list obtaining, during the Shareholders' Meeting, the highest number of votes based on the sequential order in which the candidates are indicated. This mechanism excludes the candidate or candidates of the most represented gender and selects the candidate or candidates of the missing gender.</p> <p>The standing auditor elected from the minority list shall be declared President of the Board of Statutory Auditors.</p> <p>If only lists with fewer than three candidates</p>	<p>1) two standing auditors and one alternate are elected from the list obtaining the highest number of votes, according to the sequential order with which they are indicated on the list;</p> <p>2) from the list that obtained the highest number of votes among the lists presented and voted on by shareholders who are not connected to the reference shareholders pursuant to art. 148, paragraph 2 of Legislative Decree no. 58/1998, the candidate indicated in first place in the relevant section of the list is elected standing auditor; the candidate indicated in first place in the relevant section of the same list is elected alternate auditor.</p> <p>In the case of a tie between two or more lists, the oldest candidates will be elected as Statutory Auditors.</p> <p>If the selection criteria do not ensure election of at least one Standing Auditor and one Alternate Auditor belonging to the least represented gender, a sliding mechanism is applied to the selection from the list obtaining, during the Shareholders' Meeting, the highest number of votes based on the sequential order in which the candidates are indicated. This mechanism excludes the candidate or candidates of the most represented gender and selects the candidate or candidates of the missing</p>
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<p>have been submitted and there is no candidate of the less represented gender, the presence of an alternate auditor of the less represented gender will not be mandatory, while the standing members of the Board will be appointed as follows:</p> <ol style="list-style-type: none"> <li>1) the Chairman by drawing from the list that has obtained the highest number of minority votes;</li> <li>2) a standing auditor by drawing from the majority list;</li> <li>3) a standing auditor with majority vote at the Shareholders' Meeting who, without any list constraint, will be required to appoint a member belonging to the less represented gender.</li> </ol> <p>The statutory auditor forfeits the office in the cases provided for by law as well as if the requirements required by the bylaws are no longer fulfilled.</p> <p>In the event of the replacement of a standing auditor, the alternate belonging to the same list as the one who left takes over, provided that the presence of at least one standing auditor belonging to the less represented gender is guaranteed. Otherwise the other alternate auditor will take over.</p> <p>If, despite the provisions of the Articles of Association and what is set out in the present article, only one list is presented or only one list receives votes, three Standing and two</p>	<p>gender.</p> <p>The standing auditor elected from the minority list shall be declared President of the Board of Statutory Auditors.</p> <p>If only lists with fewer than three candidates have been submitted and there is no candidate of the less represented gender, the presence of an alternate auditor of the less represented gender will not be mandatory, while the standing members of the Board will be appointed as follows:</p> <ol style="list-style-type: none"> <li>1) the Chairman by drawing from the list that has obtained the highest number of minority votes;</li> <li>2) a standing auditor by drawing from the majority list;</li> <li>3) a standing auditor with majority vote at the Shareholders' Meeting who, without any list constraint, will be required to appoint a member belonging to the less represented gender.</li> </ol> <p>The statutory auditor forfeits the office in the cases provided for by law as well as if the requirements required by the bylaws are no longer fulfilled.</p> <p>In the event of the replacement of a standing auditor, the alternate belonging to the same list as the one who left takes over, provided that the presence of at least one standing auditor belonging to the less represented gender is guaranteed. Otherwise the other</p>
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<p>Alternate Auditors will be elected – on condition that the list in question receives the majority of the votes represented at the Shareholders’ Meeting – in the order in which they are indicated on that list for the respective post. The Standing Auditor candidate indicated in first place on the list will be appointed President of the Board of Statutory Auditors.</p> <p>If it is necessary to appoint Standing and/or Alternate Auditors to supplement the Board of Statutory Auditors following early termination of the auditors in office, the Shareholders’ Meeting will act as follows: if auditors elected from the majority list must be replaced, the auditor(s) are appointed by majority vote, without list constraints. If, however, it is necessary to replace a Statutory Auditor designated from the minority list, the Shareholders’ Meeting will replace them by relative majority vote, choosing the candidate from among the candidates on the list from which the auditor to be replaced was elected. These candidates will have confirmed their candidacy at least 25 days before the date set for the first-call Shareholders’ Meeting, together with statements confirming that no reasons for ineligibility or incompatibility exist, and that they possess the requirements needed to hold the post.</p>	<p>alternate auditor will take over.</p> <p>If, despite the provisions of the Articles of Association and what is set out in the present article, only one list is presented or only one list receives votes, three Standing and two Alternate Auditors will be elected – on condition that the list in question receives the majority of the votes represented at the Shareholders’ Meeting – in the order in which they are indicated on that list for the respective post. The Standing Auditor candidate indicated in first place on the list will be appointed President of the Board of Statutory Auditors.</p> <p>If it is necessary to appoint Standing and/or Alternate Auditors to supplement the Board of Statutory Auditors following early termination of the auditors in office, the Shareholders’ Meeting will act as follows: if auditors elected from the majority list must be replaced, the auditor(s) are appointed by majority vote, without list constraints. If, however, it is necessary to replace a Statutory Auditor designated from the minority list, the Shareholders’ Meeting will replace them by relative majority vote, choosing the candidate from among the candidates on the list from which the auditor to be replaced was elected. These candidates will have confirmed their candidacy at least 25 days before the date set for the first-call</p>
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<p>If this latter mechanism does not guarantee the presence of at least one statutory auditor belonging to the less represented gender, the appointment will take place by majority vote, without any list restrictions.</p>	<p>Shareholders' Meeting, together with statements confirming that no reasons for ineligibility or incompatibility exist, and that they possess the requirements needed to hold the post.</p> <p>If this latter mechanism does not guarantee the presence of at least one statutory auditor belonging to the less represented gender, the appointment will take place by majority vote, without any list restrictions.</p>
<p>Art. 22) The Board of Statutory Auditors supervises:</p> <ul style="list-style-type: none"> <li>a) the observance of the Law, the Articles of Association and the regulations;</li> <li>b) compliance with the principles of correct administration;</li> <li>c) the adequacy of the organizational, administrative and accounting structure adopted by the Company and its concrete operation;</li> <li>d) the completeness, adequacy, functionality and reliability of the risk management and internal control system;</li> <li>e) the operations of management and coordination by the Bank;</li> <li>f) other acts and facts specified by the Law; fulfilling all the functions entrusted to it in compliance with the relative regulations provided for by the law.</li> </ul> <p>The Board of Statutory Auditors ascertains, in particular, the suitable coordination of all</p>	<p>Art. 22) The Board of Statutory Auditors supervises:</p> <ul style="list-style-type: none"> <li>a) the observance of the Law, the Articles of Association and the regulations;</li> <li>b) compliance with the principles of correct administration;</li> <li>c) the adequacy of the organizational, administrative and accounting structure adopted by the Company and its concrete operation;</li> <li>d) the completeness, adequacy, functionality and reliability of the risk management and internal control system;</li> <li>e) the operations of management and coordination by the Bank;</li> <li>f) other acts and facts specified by the Law; fulfilling all the functions entrusted to it in compliance with the relative regulations provided for by the law.</li> </ul> <p>The Board of Statutory Auditors ascertains, in particular, the suitable coordination of all</p>

<p>the departments and structures involved in the internal control system, including the auditing company entrusted with accounting management, promoting any corrective actions if necessary.</p> <p>To this end, the Board of Statutory Auditors and the Independent Auditors exchange data and information relevant to the performance of the related duties.</p> <p>In carrying out the necessary checks and inspections, the statutory auditors may make use of the structures and functions responsible for internal control and, at any time, even individually carry out inspections and controls.</p> <p>The Board of Statutory Auditors may ask the directors, the General Manager, executives and other employees for any information, even with reference to subsidiaries, on the progress of corporate operations or on specific business. They can exchange information with the corresponding bodies of the subsidiaries regarding the administration and control systems and the general performance of the corporate business.</p> <p>Notwithstanding the obligation to report to the Supervisory Authorities any acts or facts that may constitute management irregularity or violation of rules provided for by current legislation, the Board of Statutory Auditors reports any deficiencies and irregularities o</p>	<p>the departments and structures involved in the internal control system, including the auditing company entrusted with accounting management, promoting any corrective actions if necessary.</p> <p>To this end, the Board of Statutory Auditors and the Independent Auditors exchange data and information relevant to the performance of the related duties.</p> <p>In carrying out the necessary checks and inspections, the statutory auditors may make use of the structures and functions responsible for internal control and, at any time, even individually carry out inspections and controls.</p> <p>The Board of Statutory Auditors may ask the directors, the <del>General Manager</del> General Manager or the Joint General Manager (s), executives and other employees for any information, even with reference to subsidiaries, on the progress of corporate operations or on specific business. They can exchange information with the corresponding bodies of the subsidiaries regarding the administration and control systems and the general performance of the corporate business.</p> <p>Notwithstanding the obligation to report to the Supervisory Authorities any acts or facts that may constitute management irregularity or violation of rules provided for by current</p>
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the Board of Directors and requests the adoption of suitable corrective measures, verifying their effectiveness over time.	legislation, the Board of Statutory Auditors reports any deficiencies and irregularities of the Board of Directors and requests the adoption of suitable corrective measures, verifying their effectiveness over time.
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### 3. Evaluations on the recurrence of the right of withdrawal

It is believed that the proposed amendments do not fall within any of the cases of withdrawal provided for by the current legal provisions and the Articles of Association.

### 4. Resolution proposal

In the light of the above, the Board of Directors is submitting for your approval the following

#### RESOLUTION PROPOSAL

*“The Shareholders’ Meeting of Banca Ifis S.p.A., having examined the explanatory report of the Board of Directors in item no. 1 of the Extraordinary session of the agenda,*

#### ***resolves***

- a) *to amend articles 10, 11, 13, 15, 17, 18, 20, 21 and 22 of the Articles of Association, as per the “Proposed text” in the Board of Directors’ report and, as a result, adopt the new text of the Articles of Association attached to the same Board of Directors’ report;*
- b) *to confer a mandate to the Board of Directors to carry out the above resolution, attributing to the Chief Executive Officer and the Head of the Legal and Corporate Affairs, separately, the right to sub-delegate, within the limits of the law, every power and faculty to provide what is necessary for the implementation of the aforementioned resolution, as well as to meet the necessary formalities (including the registration of the resolution in the Register of Companies, so that the adopted resolution obtains the legal approvals), with the right to introduce any amendments, additions or non-substantial removals that were required for the purpose, even at the time of registration, and in general everything necessary for the complete execution of the resolution itself with any and all of the powers necessary and appropriate for this purpose, without exclusion and exception, also in order to comply with*

*any formality, act, filing of applications or documents requested by the competent Market Supervisory Authority and / or by legal provisions or regulations in any case applicable; and*

c) *to authorize the Chief Executive Officer and the Head of the Legal and Corporate Affairs, separately, to file and publish, in accordance with the law, the updated text of the Articles of Association with the changes made following the previous deliberation and subject to the issuance of the conformity assessment provision of the amendments to the Articles of Association with criteria of sound and prudent management pursuant to art. 56 of the Consolidated Banking Act by the Bank of Italy”.*

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**Point 2) on the Meeting Agenda - Ordinary session**

**Remuneration plan based on financial instruments for some company figures described in the information document drawn up pursuant to article 114-bis of Italian Legislative Decree no. February 24, 1998, no. 58 and subsequent amendments and relative implementation regulations. Related and ensuing resolutions.**

Dear Shareholders,

this report (the “**Report**”) has been prepared pursuant to art. 114-bis and 125-ter of Italian Legislative Decree no. 58 of February 24, 1998, as subsequently amended and integrated (the “**TUF**”) and art. 84-ter of the Regulation adopted with CONSOB Resolution no. 11971 of May 14, 1999, as subsequently amended and supplemented (the “**Issuers’ Regulation**”), in order to outline to the Shareholders' Meeting of Banca Ifis S.p.A. (“**Banca Ifis**” or the “**Bank**”) convened in extraordinary and ordinary session on July 28, 2021 in a single call (the “**Shareholders’ Meeting**”) the proposed resolution referred to in point 2 of the agenda of the ordinary session and concerning the approval, pursuant to art. 114- bis of the TUF, of a long-term incentive plan, called the “**LTI Plan 2021-2023**”, for the current Chief Executive Officer of the Bank, Eng. Frederik Herman Geertman, (the “**Chief Executive Officer**”) and for any other *top managers* of the Bank and the Banca Ifis banking group (the “**Ifis Group**”), (the “**Beneficiaries**”) which is entirely based

on financial instruments, as approved by the Board of Directors at the June 24, 2021 meeting on the proposal of the Remuneration Committee (which received a favourable the opinion from the Bank's competent officers and made use of the help of independent external consultants) and heard the (favourable) opinion of the Board of Statutory Auditors pursuant to art. 2389, paragraph 3, of the civil code (the "**Plan**").

The Plan submitted for your approval complies with the remuneration policies referred to in Section I of Banca Ifis' "Remuneration Report", approved by the Shareholders' Meeting on April 22, 2021, in an updated form which is proposed for your approval at point 1 on the agenda of the ordinary session (and for which reference is made to in the Board of Directors' relative explanatory report).

Thus, the Report intends to outline the reasons and contents of the proposal concerning the Plan by referring to definitions, the outlining of its contents and the information documents provisions, which is reported in full as an attachment to this Report; it has been prepared, from the moment the Plan was entirely based on financial instruments, pursuant to article 114-bis of the TUF and article 84-bis of the Issuers' Regulation, as approved by the Board of Directors at the meeting of June 24, 2021 at the proposal of the Remuneration Committee (resolved in the meeting of June 23, 2021), and made available to the public within the terms and in the manner prescribed by current legislation (the "**Information Document**").

Following the Shareholders' meeting approval of the plan, the Board of Directors will (again on the proposal of the Remuneration Committee and subject to the favourable opinion of the Board of Statutory Auditors and the Bank) approve the regulation of the Plan, identify of any beneficiaries (additional to the Chief Executive Officer) and define the target benefit for each by granting a mandate to a member of the Board of Directors and/or to a specific Company Officer in order to implement the Plan (with delivery, among other things, to the beneficiaries, of the letters of assignment and adhesion to the Plan).

Below is the information concerning the Plan provided for by art. 114-bis, paragraph 1, of the TUF, notwithstanding referral to the Information Document for more information on the Plan and its provisions.

### **1. The reasons for adopting the Plan**

The Plan is aimed at improving the alignment of interests between the top management and all the stakeholders of the Ifis Group, encouraging the Beneficiaries to achieve the Bank's medium-long term objectives, which will be reflected in the strategic plan currently under development, and also promoting retention.

### **2. Recipients**

The Plan is intended for the Chief Executive Officer and other Beneficiaries who may be subsequently identified by the Board of Directors.

Any additional Beneficiaries identified by the Board of Directors may include individuals who hold the role of directors, employees and / or collaborators at the Bank and at companies directly or indirectly controlled by the Bank and those high-level managers of the Bank who are capable of providing a contribution to the realization of its long-term strategies, which tend to belong to the category of executives with strategic responsibilities.

### **3. Methods and clauses for implementing the Plan, specifying whether its implementation is subject to the satisfaction of conditions and, specifically, to the achievement of certain results**

#### **Introduction**

The Plan is a stock option plan that provides for the assignment to the Beneficiaries, free of charge, a certain number of option rights (the “**Options** “) which will give them the right to purchase, at a certain strike price, a corresponding number of the Bank’s ordinary shares.

In any case, the Bank has the right to also use the so-called phantom stock options, which attribute the right to the disbursement, for each phantom stock option exercised, of a sum of money corresponding to the difference between the value of the Bank’s ordinary shares at the time of the exercising of the *phantom stock options* and the strike price of the Options (the “**Phantom Stock Options**”), should this be necessary in order to also include Beneficiaries other than the Chief Executive Officer in the plan as well.

Options and/or Phantom Stock Options will become exercisable after a three-year **vesting period** (2021, 2022 and 2023), subject to the fact that, at that date (except as provided below in the case of a good leaver), the relationship between the Bank and the Chief Executive Officer

(and any other beneficiaries) is still in place, as well as the achievement of predetermined quantitative and qualitative, financial and non-financial objectives linked to the Bank's long-term strategies.

**Performance objectives**

The vesting of Options and/or Phantom Stock Options is linked to the achievement of performance targets in terms of market indicators (Relative TSR vs. Peer Group), economic-financial indicators (Profit Before Tax, Cost/Income Ratio, Gross NPE Ratio) and ESG indicators (in line with the provisions of the strategic plan). For further information, including on the weights of the individual objectives, please refer to the addendum to the Remuneration Policy, which is also in the process of being published.

**Market indicators**

As regards the Relative TSR objective, the same will be measured, in the Vesting Period, with respect to a peer group that includes the following subjects (comparable with Banca Ifis in terms of the business model and share performance):

Peer Group	
Banca Farmafactoring	Credem
Banca Sistema	Illimity
Banco BPM	Intesa San Paolo
Banco di Desio	Mediobanca
BPER	Unicredit

The number of options accrued on the basis of this indicator will be calculated on the basis of the Bank's ranking with respect to the peer group mentioned above according to the following incentive curve:

Ranking	Options accrued
Banca Ifis position higher than or equal to 9th decile	Maximum level of options assigned (100%)
Banca Ifis position lower than 9th decile but greater than/equal to 3rd quartile	Options assigned target level (75%)

Banca Ifis position lower than 3rd quartile but higher/equal to the median	Minimum level of options assigned (50%)
Banca Ifis position below the median	No accrued Options

Economic-financial indicators and ESG indicators

As regards the economic-financial indicators and ESG indicators, given that the Plan represents a tool to incentivize the CEO (and any other beneficiaries) to achieve long-term objectives for the Bank, as will be reflected in the Bank’s strategic plan (currently being drawn up), the specific targets underlying these indicators will be defined in greater detail following the definition of the strategic plan, to ensure maximum consistency and interconnection between the Plan and the strategic plan.

As for ESG indicators, it is currently assumed that they may include targets linked to environmental indicators (so-called Enviromental), on the so-called Social (including, for example, the development of social impact hub programs, in compliance with the Code of Ethics related to customer assistance, development of cultural and artistic heritage, etc.) and so-called Governance (including, for example, objectives on gender diversity, the reduction of the gender pay-gap, participation in ESG indices, etc.), subject to confirmation based on what will be definitively indicated in the strategic plan. All indicators will also be linked to objectively measurable objectives.

The specific targets – within the limits of the confidentiality requirements relating to highly sensitive data - will therefore be disclosed in the next Remuneration Report (following the approval of the new strategic plan).

The final assessment of the degree of achievement of the objectives with respect to the targets set will be carried out after the end of the performance period of the Plan (and therefore at the beginning of 2024).

**Options accrual period and deferment period**

The number of Options and/or Phantom Stock Options attributable at the end of the Vesting Period for performance indicators, other than the Relative TSR, will be calculated according to the incentive curve defined according to the following configuration:

- a) upon reaching the minimum level of performance, a number of Options and/or Phantom Stock Options equal to 50% of the options assigned to the maximum will be assigned; below this minimum level no Option and/or Phantom Stock Options will be assigned;
- b) upon reaching the target level of performance, a number of Options equal to 75% of the Options and/or Phantom Stock Options assigned to the maximum will be assigned;
- c) upon reaching the maximum level of performance, a number of Options and/or Phantom Stock Options equal to the number of the Options assigned to the maximum will be assigned (100%); upon reaching a higher performance level, no additional Option and/or Phantom Stock Option will be assigned;
- d) for intermediate performances between the minimum level and the target, and between the target and the maximum, the number of Options and/or Phantom Stock Options to be assigned will be calculated by linear interpolation, as shown in the following graph.



Any Options accrued on the basis of the degree of achievement of the objectives will be assigned and will become exercisable according to the terms and conditions established at the time, in compliance with the regulations, by the Bank's remuneration policies (in terms of access gates, periods of deferral, minimum holding periods, malus and clawback mechanisms, etc.).

In particular:

- a) pursuant to the provisions of the regulations and the Bank's Remuneration Policies in force at the time, the options accrued at the end of the three-year period must be assigned only in part up-front and the rest over a deferred timeframe, as envisaged for "particularly high amounts"; on this point it is recalled that, based on the provisions of the Circular No. 285/2013 currently being consulted (and subject to subsequent changes in the final version), for these amounts, even in "intermediate" banks, a five-year deferral of 60% of the incentive accrued is envisaged, so that, in this case, 40% of the Options accrued could be exercised at the end of the Vesting Period, while the remaining 60% could be exercised over a deferred time frame of 5 years;
- b) the shares purchased following the exercise of the options (at the above deadlines) will, in turn, be subject to *lock-up* periods (during which they cannot be sold or transferred for any reason) in accordance with the remuneration policies in force at the time;
- c) at the time of accrual and at the expiry of the subsequent deferral terms, the exceeding of the minimum access gates must be verified (and therefore, in essence, the exceeding of the minimum levels of liquidity, capitalization and profitability adjusted for the risks established at the time by the Bank's remuneration policies in compliance with regulatory legislation);
- d) the incentive covered by the Plan will also be subject to the *ex post* correction mechanisms (malus and clawback) upon the occurrence of the cases envisaged by the remuneration policies.

With reference to letter a) above, it should be noted that, given the Plan's particularly long reference period, the updated document of Section I of the Bank's "Remuneration Report" (for which the adoption of item 2 on the agenda of the ordinary session is proposed and for which reference is made to in the Board of Director's relative explanatory report), includes, *inter alia*, an adjustment, with specific reference to the Plan, to provide that:

- a) the deferred instalments will be attributed, in compliance with the applicable regulations, instead of all, at the end of the five-year deferral period, in equal annual instalments during the reference period; and

- b) in order to further favour the aims of retention, any termination of the relationship with the Chief Executive Officer (and with any other Beneficiaries of the Plan) in cases of a bad leaver (as indicated below) during the deferral period will imply the loss of all rights in relation to the instalments still subject to deferral.

### **Good and bad leadership**

Finally, the Plan provides for the usual clauses of good and bad leavers, in the hypothetical case of termination of the relationship between the Beneficiary and the Bank before the end of the vesting period and during the subsequent deferral period. In particular, the Plan provides for:

- a) the right of the Beneficiaries, in the event of early termination of the relationship in cases of revocation/dismissal/non-renewal in the absence of just cause or in cases of resignation for just cause (including in cases of substantial and unshared change of powers/duties) or, again, in the event of consensual termination of the relationship, to maintain all rights in relation to the Plan in a proportionate measure *pro rata temporis*, an amount equal to the contribution to the creation of value made up to that time); and
- b) the loss of all rights to the Plan in all other cases of early termination of the relationship (and, therefore, in the case of a bad leaver).

Furthermore, as specified above, in order to further favour the aims of retention, it was assumed that any termination of the relationship with the Chief Executive Officer (and with any other Beneficiaries of the Plan) in cases of bad leavers during the deferral period will imply the loss of all rights in relation to the instalments still subject to deferral (with maintenance, however, of all rights to the deferred instalments in the event of termination in the case of a good leaver).

### **Financial instruments at the service of the Plan**

For the purposes of implementing the Plan, the Bank's ordinary shares that can be purchased by the Plan's Beneficiaries following the exercise of the Options will recover, in whole or in part, from the provision of treasury shares that Banca Ifis may purchase and which it may dispose of in execution of specific shareholders' meeting authorisations, pursuant to arts. 2357 and 2357-ter of the Italian Civil Code, art. 132 of the TUF and art. 144- bis of the Issuers' Regulation and in compliance with current Community legislation, including Regulation (EU) 596/2014

(the “**Regulation**”) and the Delegated Regulation (EU) 1052/2016 (the “**Delegated Regulation**”), subject to the issuance of specific authorisation from the Bank of Italy pursuant to art. 77, letter a) and 78 of EU Regulation no. 575/2013, as proposed in point 3 on the agenda for the ordinary session of the Shareholders' Meeting and for which reference is made to in the Board of Directors' relative explanatory report. In any case, the Bank has the right to also use the phantom stock option, if this is necessary in order to be able to include the Additional Beneficiaries other than the Chief Executive Officer in the Plan.

Therefore, the buyback of treasury shares by Banca Ifis will be, *inter alia*, subordinated to:

- (i) the deposit, on the behalf of Banca Ifis to the Bank of Italy, of the authorisation request to buyback treasury shares pursuant to art. 77, letter. a) (*Conditions for reducing own funds*) and 78 (*Supervisory permission to reduce own funds*) of Regulation (EU) no. 575/2013, as approved by the Board of Directors at the meeting of June 24, 2021 (the “**CRR Application**”);
- (ii) the resolution by the Shareholders' Meeting regarding the authorisation of the repurchase of treasury shares to service the Plan, with effect subject to the conditional issuance of any authorisation by the Bank of Italy of the CRR Application, as proposed in point 3 of the agenda of the ordinary session of the Shareholders' Meeting and for which reference is made to in the Board of Director's relative explanatory report; and
- (iii) the issuance of the authorisation of the CRR application by the Bank of Italy.

As regards the number of shares subject to the request for authorisation to purchase treasury shares, given the need to obtain a provision that can also be used for any additional Beneficiaries, it was determined to set a number equal to the one hypothesized in favour of the Chief Executive Officer, increased by a further 50% (without prejudice to the possibility of also using Phantom Stock Options should this number prove insufficient).

#### **4. Any support for the Plan by the special Fund for boosting the participation of workers in companies, pursuant to art. 4, paragraph 112, of the Law, 24 December 2003, no. 350**

The Plan does not receive support from the special Fund for boosting the participation of workers in companies, pursuant to article 4, paragraph 112, of Law no. 350 of 24 December 2003, no. 350.

## **5. Procedures for determining prices or criteria for determining prices for the subscription or acquisition of shares**

### **Number of Options**

The number of Options and/or Phantom Stock Options that can be assigned to each Beneficiary is established by the Board of Directors.

In determining the total number of Options and/or Phantom Stock Options assignable to each Beneficiary, the Board of Directors acts with discretion, in compliance with the Bank's remuneration policies, and Bank of Italy Circular of December 17, 2013, no. 285 - Supervisory provisions for banks - Title IV, Chapter 2, *Remuneration and incentive policies and practices*, last updated on October 23, 2018 (the "**Circular**") and the applicable regulations and in line with the best practices on the subject (including the recommendations of the Corporate Governance Code).

With particular reference to the number of Options to be assigned to the Chief Executive Officer, this must be determined in compliance with the ratio between variable and fixed remuneration envisaged by the Circular and Bank's remuneration policies. Specifically, the remuneration policies currently in force provide for a limit on the ratio between fixed and variable remuneration equal to 1:1.

In light of this, and of the fact that the Chief Executive Officer already participates, for the year 2021, in an annual MBO plan (within which an amount equal to up to 60% of the fixed remuneration can accrue), the amount of remuneration of the Chief Executive Officer which, with specific reference to the current year, can be allocated to the Plan (and on which to calculate, therefore, the value of the Options to be assigned in the context of the Plan) is equal to 40% of their fixed remuneration.

Furthermore, it is assumed, for the subsequent years of reference of the Plan, that an increase in the ratio between fixed and variable remuneration from 1:1 to 1.5: 1 will be submitted to a forthcoming shareholders' meeting, once the applicable procedures have been completed. In view of this, and only subject to the aforementioned shareholders' approval, with reference to the two subsequent years of reference of the Plan (2022 and 2023), the amount of variable

remuneration to be allocated to the Plan (and converted into Options; see below) could be equal to approximately 70%<sup>1</sup> of the fixed remuneration on an annual basis<sup>2</sup>.

Therefore, on these assumptions, in order to determine, in compliance with the limit of the fixed / variable ratio, the number of potentially attributable Options (operation to be carried out *ex ante*, in light of the regulatory legislation), an assessment was carried out, with the assistance of independent experts regarding the value of the Options covered by the Plan. This assessment was carried out according to the ordinary models of valuation of optional instruments used in practice that appreciate the financial value of time (in this case, the binomial model), regardless of the consideration of any effects on the value of the setting, as part of the Plan, of quantitative and qualitative objectives and constraints for exercise of the Options (which would determine a lowering of the value of the options and, therefore, could be the basis for the assignment of a greater number of instruments).

As a result of the assessment carried out, the unit value of the Options for the purposes of the plan was equal, as of June 18, 2021, to €2.00 for each Option, considering that the strike price is commensurate with the average of the official stock market prices of the last 30 days prior to the assessment and approval of the Plan to be submitted to the meeting by the competent bodies<sup>3</sup> and that the economic value of the Bank is determined on the basis of this same indicator.

In light of this value, the maximum number of Options that can be assigned to the Chief Executive Officer for the entire three-year period of reference, in the event that the ratio between variable and fixed remuneration is defined as 1:1 for the first year (2021) and as 1.5:1 for the following two years (2022 and 2023), and obviously subject to the achievement of all the conditions set out in the Plan (achievement of the objectives, permanence in service, etc.), is equal to approximately 696,000 Options, which give the right to purchase, at the strike price, a corresponding number of the Bank's ordinary shares.

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<sup>1</sup> This is to maintain a space to allocate part of the variable remuneration (always within the limits of the fixed/variable ratio) for the possible signing, also for the next few years, of stability agreements (the consideration of which, on the basis of the Circular, is equal to a variable remuneration).

<sup>2</sup> Similarly, if the increase in the fixed/variable ratio to 1.5:1 is not approved, the amount of variable compensation to be allocated to the Plan also for the financial years 2022 and 2023 could be 40% of fixed compensation on an annual basis.

<sup>3</sup> In particular, the 30 days prior to June 18, 2021.

As for any additional beneficiaries (which will be identified later on), the related pay-ratio will also be determined within the limits of the ratio between fixed and variable remuneration in force at the time and, within these limits, indicatively within a ratio consistent with the provisions of the Chief Executive Officer.

In the event of identification as Beneficiaries of managers who should enter service at the Bank after the start of the Plan, a corresponding reduction in the reference amount of the incentive may be assessed - depending on the date of entry - according to a *pro rata temporis* criterion.

**6. Restrictions on the availability of the shares, or on the options rights being exercised, with particular reference to the deadlines by which the subsequent transfer to the Company itself or to third parties is allowed or forbidden.**

The Options and/or Phantom Stock Options are assigned to the Beneficiaries on a personal basis, and cannot be transferred by deed inter vivos or subject to restrictions or be the subject of other acts of disposal for any reason.

The Bank's ordinary shares purchased against payment of the strike price following the exercise of the Options will be subject to lock-up periods pursuant to the provisions of the Bank's remuneration policies in force at the time, during which they cannot be alienated or transferred for any reason.

In the light of the above, the Board of Directors is submitting for your approval the following

RESOLUTION PROPOSAL

*“The Shareholders’ Meeting of Banca Ifis S.p.A., having examined the explanatory report of the Board of Directors in item no. 2 of the Ordinary session of the Agenda and having seen the information document attached to it,*

***resolves***

- a) *to approve, pursuant to and for the purposes of article 114-bis of the TUF and Bank of Italy Circular no. 285/2013, the adoption of a long-term incentive plan for the three-year period 2021-2023 entirely based on financial instruments for the Chief Executive Officer and any other top managers of the Bank (the “Plan”), whose terms, conditions and methods are*

*described in the information document attached to the Board of Director's explanatory report under point no. 2 of the Ordinary session of the Agenda;*

- b) to grant the Board of Directors every broad power to execute the Plan, including, by way of example and not limited to, the power to: (i) prepare and define the related implementation regulation, (ii) identify the beneficiaries of the Plan and the performance objectives and relative reference targets, (iii) determine the number of purchase options for ordinary shares of Banca Ifis S.p.A. attributable and to be assigned to each beneficiary, (iv) proceed with the assignment of the aforementioned options, as well as (v) carry out any act, fulfilment, compliance, formality or communication necessary or appropriate for the purposes of the management and implementation of the Plan and the related regulations with ample power to delegate the aforementioned powers, in whole or even in part “.*

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### **Point 3) on the Meeting Agenda - Ordinary session**

**Authorisation for the purchase and disposition of treasury shares pursuant to articles 2357 and 2357-ter of the Civil Code, article 132 of Legislative Decree February 24, 1998, no. 58 and subsequent amendments and article 144-bis of the Consob Regulation adopted with resolution no. 11971 of 14 May 1999 and subsequent amendments. Related and ensuing resolutions.**

Dear Shareholders,

this report (the “**Report**”) has been prepared pursuant to art. 125-ter of Legislative Decree no. 58 of February 24, 1998, as subsequently amended and integrated (the “**TUF**”) and art. 73 of the Regulation adopted with CONSOB Resolution no. 11971 of 14 May 1999, as subsequently amended and integrated (the “**Issuers ' Regulation**”), according to scheme no. 4 of Annex 3A of the Issuers' Regulations in order to outline to the Shareholders' Meeting of Banca Ifis S.p.A. (“**Banca Ifis**” or the “**Bank**”) convened, in extraordinary and ordinary session, for July 28, 2021 in a single call (the “**Shareholders' Meeting**”), the proposal that the Board of Directors of Banca Ifis intends to submit for approval regarding the authorisation for the purchase and any subsequent disposition of portfolio or purchased treasury shares, pursuant to art. 2357 and

2357- *ter* civil code., 132 of the TUF and 144-bis of the Issuers' Regulation and in compliance with current Community legislation, including Regulation (EU) 596/2014 (the “**Regulation**”) and the Delegated Regulation (EU) 1052/2016 (the “**Delegated Regulation**”).

### **Introduction**

At the date of approval of this Report, the Bank owns 339,139 treasury shares (equal to 0.630% of the share capital).

In consideration of the desirability of receiving authorisation for the reasons outlined in detail in this Report, the Board of Directors proposes that you decide upon authorizing the Board of Directors for the purchase and disposition of Banca Ifis ordinary shares under the terms illustrated in this Report, starting from the issuing of the authorisation provision that the Bank of Italy will eventually issue following the request for authorisation of the partial repurchase of Common Equity Tier 1 instruments issued by Banca Ifis S.p.A. pursuant to of articles 77, letter a) and 78 of EU Regulation no. 575/2013 of the European Parliament and of the Council and of art. 32 of the Delegated Regulation (EU) no. 241/2014 of the Commission of January 7, 2014 approved by the Bank’s Board of Directors on June 24m 2021 (“**Authorisation Provision**”).

#### **1. Reasons for which the authorisation to purchase and/or sell treasury shares is requested**

The request for authorisation at the Shareholders' Meeting for the purchase and disposition of treasury shares, which is the subject of this proposal, is aimed at allowing the Bank to purchase and dispose of ordinary shares, in strict compliance with the Community and national legislation in force, of the Authorisation Provision and market practices accepted at the time and pursuant to current legislation (the “**Accepted Practices**”), for the following purposes:

- (i) to service the *long-term incentive* plan for the period of 2021-2023 entirely based on financial instruments and reserved for the Chief Executive Officer Frederik Herman Geertman and any other *top managers* of the Bank (submitted for approval by the Shareholders' Meeting, as per point 2 on the agenda of the ordinary session), both through the free granting of purchase options, and through the free assignment of *phantom stock options* (i.e. cash allocations whose value is equal to the difference between the *strike price* and the value of the shares at the exercise date of the *phantom stock option*) pursuant to article 114- *bis* of the TUF (the “**Plan**”). For more

information on the *long-term incentive plan* for the three-year period 2021-2023 for the Chief Executive Officer and for any other *top managers* of the Bank, please refer to the related Explanatory Report and the additional documentation made available pursuant to art. 114- *bis* of the TUF and art. 84- *bis* of the Issuers' Regulations.

In particular, the authorisation of the Shareholders' Meeting for the purchase and disposition of treasury shares for the purpose of servicing the Plan, which is the subject this proposal, will have effect subject to the conditional issuance, by the Bank of Italy, of the **Authorisation Provision**. Please note that the authorisation procedure by the Bank of Italy has a duration of 90 calendar days, except for any suspensions or interruptions in the event of requests for clarification or additions to the documentation by the Supervisory Authority.

The request for approval to the Assembly also includes the Board of Directors' power to carry out repeated and successive purchase and sales transactions (or other acts of disposition) of treasury shares on a revolving basis, even for fractions of the maximum quantity authorized, so that, at any time, the quantity of shares of the proposed purchase and in the ownership of the Bank does not exceed the limits established by law and by the authorisation of the Shareholders' Meeting; it is understood that the operations must be carried out in compliance with the applicable regulatory provisions, including regulatory provisions, including those of the Issuers' Regulations, the Regulations, the Delegated Regulation, as well as in compliance with the Accepted Practices in force at the time.

## **2. Maximum number and category of shares to which the authorisation refers**

The share capital of the Bank is equal to Euro 53,811,095.00, constituted by 53,811,095 ordinary shares of 1 Euro each (including the 339,139 treasury shares currently in portfolio).

The authorisation entails giving the Board of Directors the right to purchase, on one or more occasions, up to a maximum of 1,044,000 treasury shares and to dispose of all or part of the Banca Ifis treasury shares purchased on the basis of this resolution and, possibly, of those which are already held by the Bank (in this regard, it should be noted that no subsidiary company holds shares of the parent company in its portfolio). The maximum number of shares that can be purchased added to the treasury shares already in the portfolio at the date of the Shareholders' Meeting represents 2.57% of the Bank's share capital and is therefore well below the limit

of 20% of the share capital provided for by art. 2357, third paragraph, civil code., also taking into account the shares held by subsidiaries for this purpose. Purchases and disposition of treasury shares must be carried out in compliance with the provisions of art. 5 of the Regulations and the Delegated Regulations, where applicable, as better specified in the following point 6 of this Report.

### **3. Useful information for the purposes of a complete assessment of compliance with the dispositions provided for by art. 2357 civil code**

With reference to the maximum spending limit, the Board of Directors reminds that, pursuant to art. 2357, first paragraph, of the Italian Civil Code, the purchase of treasury shares is permitted within the limits of distributable profits and available reserves resulting from the last duly approved financial statements.

In this regard, it should be noted that in the financial statements as of December 31, 2020 - approved by the Shareholders' Meeting on April 22, 2021 - extraordinary reserves of 467,090 Euro have been recorded.

Any purchases will also be made within the limits and in compliance with the Authorisation Provision.

It is specified that the purchase and disposition operations will take place in compliance with the applicable regulatory provisions and will be accounted for in accordance with the applicable accounting principles.

### **4. Duration for which the authorisation is requested**

The authorisation for the purchase of treasury shares is requested for the maximum duration allowed by art. 78 of Regulation (EU) no. 575/2013, as subsequently amended, and that is for the period of 12 months starting from the date of the issue of the Authorisation Provision by the Bank of Italy. With regard to the disposition of the purchased shares, the Board of Directors proposes that the Shareholders' Meeting not set a time limit, leaving the Board of Directors with the power of identifying the most suitable time to proceed with the disposition of treasury shares purchased with the utmost flexibility.

It should be noted that the Bank may proceed with the aforementioned authorised transactions in whole or in part and at any time, in compliance with the applicable disposition provisions in force at the time.

#### **5. Minimum and maximum consideration**

The purchase of treasury shares may be carried out in compliance with the applicable disposition laws and regulations, including the Regulations, the Delegated Regulation and the Accepted Practices, as well as in compliance with any indications received from the competent Supervisory Authorities and, in particular, with the Authorisation Provision:

- at a minimum price not lower than the closing price that the share will have recorded in the trading session of the day prior to the completion of each individual transaction, decreased by 15%;
- at a maximum price not exceeding the closing price that the stock will have recorded in the trading session of the day prior to the completion of each individual transaction, increased by 15%.

With regard to the disposition (sale) of treasury shares, the Board of Directors will establish from time to time, in accordance with the applicable legislation and/or the Accepted Practices, the criteria for determining the relative consideration and/or methods, terms and conditions of use of treasury shares in the portfolio, considering the implementation methods used, the trend in share prices in the period prior to the transaction, and the best interests of the Bank.

#### **6. Modalities through which purchases and dispositions will be made**

- (i) Purchases and dispositions of treasury shares will be made on regulated markets, on one or more occasions, on a revolving basis, as established by art. 132 of the TUF and art. 144- *bis*, paragraph 1, letter b) of the Issuers' Regulation, with the operating methods indicated in the regulations for the organization and management of the markets themselves in order to ensure equal treatment among the Shareholders and not allow direct matching of negotiation proposals in purchase with predetermined negotiation proposals in sales; in particular, these purchases will be made on regulated markets, according to the operating procedures established in the regulations for the organization and management of the markets themselves, which do not allow direct

matching negotiation proposals in purchase with predetermined negotiation proposals in sales.

Purchases will also be made in compliance with current legislation and in particular according to the methods prescribed by art. 144 *bis*, paragraph 1 and paragraph 1- *bis* of the Issuers' Regulation, so that equal treatment among shareholders is respected pursuant to art. 132 of the TUF, or under the conditions indicated in the Accepted Practices concerning the support of liquidity and in any case in compliance with the provisions of the Regulation, as well as the applicable provisions of the Delegated Regulation and the Authorisation Provision.

The sale of treasury shares in portfolio will instead be carried out in the ways deemed most appropriate in the interest of Banca Ifis to meet the purposes pursued and, in any case, in compliance with the applicable laws and regulations, including sales on the market, outside of regulated markets, through ABB or block trades, or through share exchange or transmissions as part of industrial projects, or in execution of share incentive plans.

The purchase of treasury shares is not instrumental to the reduction of the Bank's share capital, without prejudice to the Bank itself, if a reduction of the share capital is approved by the Shareholders' Meeting in the future, having the power to implement it also by the treasury shares held in portfolio.

Banca Ifis will inform the public and Consob, in the manner and within the terms provided for by current legislation.

In the light of the above, the Board of Directors is submitting for your approval the following

#### RESOLUTION PROPOSAL

*“The Shareholders’ Meeting of Banca Ifis S.p.A., having examined the explanatory report of the Board of Directors in item no. 3 of the Ordinary session of the agenda,*

***resolves***

- a) *with effect, subject to conditional the conditional issuance by the Bank of Italy of the authorization provision for the repurchase of Banca Ifis S.p.A. treasury shares pursuant to art. 77 and 78 of Regulation (EU) no. 575/2013:*

- (i) to authorize the purchase of a maximum of 1,044,000 treasury shares and the sale of all treasury shares held, on one or more occasions;*
- (ii) to authorize, for a maximum duration of 12 months, the purchase or purchases referred to in point (a) above at a minimum price not lower than the closing price that the security will have recorded in the trading session on the day prior to the completion of each individual transaction decreased by 15% and at a maximum price not exceeding the closing price that the share will have recorded in the trading session on the day prior to the completion of each individual transaction, increased by 15%, drawing from the available reserves;*
- (iii) to authorize, without time limits, the completion of acts of disposition of the treasury shares purchased, to be carried out on one or more occasions, granting the power to the Board of Directors to establish from time to time the criteria for determining the relative consideration and / or procedures, terms and conditions of use of the portfolio treasury shares, considering the implementation methods used, the trend in share prices in the period prior to the transaction, and the best interests of the Bank;*
- (iv) to confer to the General Manager and the Head of Corporate Affairs, separately, with the right to delegate to third parties, every broad power needed to implement the resolutions referred to in points (a), (b) and (c) which precede, also through third party attorneys and intermediaries, in compliance with the requirements of the applicable legislation and the competent authorities”.*

*\*\*\**

Venice - Mestre, June 28, 2021